

From: [Jeff Canon](#)
To: [Joaquin Mavares](#); [Omar Petit](#)
Subject: FW: Guarenas II estimates errors
Date: Wednesday, October 06, 2010 4:50:58 PM
Attachments: [Guarenas II estimates currency conversion errors.pdf](#)

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From: Randy Lillard
Sent: Wednesday, October 06, 2010 11:49 AM
To: Jeff Canon
Subject: Guarenas II estimates errors

Last week I was working on revising the Guarenas cost report to being divided into Guarenas I and II and showing budgets and costs for all line items in USD and BsF. This involved going thru the Guarenas II CO estimates in detail to list out the separate USD and BsF budgets for each cost report line item. When I did this I encountered a number of errors in converting portions of the original all USD estimate to BsF. As you can see on the attachments, a number of line items were not multiplied by 8.0 when the costs were transferred from USD to BsF and essentially devaluating that line item by a factor of eight. The errors are circled in red on the attachments.

The devaluation of all the errors totals to \$1,138,875. The final pricing to Derwick for Guarenas II did include a bump up from the estimates totaling BsF5,406,645 which equals \$675,831 at an ER of 8.0. The first page of the attachments summarizes these numbers and states that instead of the final BsF pricing being \$675,831 more than the original all USD estimate it is actually \$463,044 less than the all USD estimate.

I don't know who did the currency conversions and I don't need to know. What I'm concerned about is the process that allowed this to happen. As you can see on the attachments, these are simple mistakes and could have been caught easily by a checker reviewing the calculations and tabulations for a minimal amount of time prior to submitting the pricing to Derwick. I volunteer to review any pricing or estimates you think you may have an extra hour or so for someone to review before they are submitted to our clients.

I struggled with what to do with what I discovered last week. I wish no ill will on whoever made these conversion mistakes but we ought to change the process so that simple but costly mistakes like this are avoided.

Let me know if you have any questions or want to discuss.

Randy Lillard

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